MULTIMEDIA UNIVERSITY

STUDENT ID NO

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |

# MULTIMEDIA UNIVERSITY

# FINAL EXAMINATION

TRIMESTER 2, 2015/2016

## BSM3114– MANAGEMENT OF STRATEGY

7th MARCH 2016

2.30 pm – 4.30 pm
(2 HOURS)

---

**INSTRUCTIONS TO STUDENT**

1. This question paper consists of 4 pages with 2 Sections only.

2. **Section A : ONE (1) Case Study.** Attempt **ALL** questions.
   **Section B : Choose any THREE (3) Structure Questions out of FOUR.**

3. Please write all your answers in **Answer Booklet** provided.

## SECTION A: CASE STUDY (40 Marks)

### MALAYSIA'S HOMESTAY PROGRAM

Malaysia Homestay Program is defined by The Ministry of Tourism Malaysia as an experience where tourist lives with a homestay operator or a host family, who is registered under The Ministry of Tourism under this program. It is a lifestyle tourism, where tourist can interact and experience Malay Kampung community daily lifestyle and culture. It is established to encourage rural people, which are mainly Malays, to involve in tourism sector while sharing the benefits from the program, to increase their standard of living by raising their income in other than agricultural sector, and to create tourism entrepreneur among them. This program is also aimed to provide unique experience for tourist who is interested in Malay Kampung culture and lifestyle, and to provide rural hospitality tourism with affordable price at international level.

'Homestay' is a term, which is always related to accommodation and lifestyle experience. In Australia, the term is associated with the farmhouse accommodation, while in the United Kingdom, it is used by the English and Foreign Language Sector. However, Malaysia Homestay Program is not only an accommodation, but embraces the whole economic activities, community activities and culture that existing in the village participated. Each homestay program will have to establish its own Homestay Committee, which is usually led by the village headman, or the chairman of the village's Farmer Association. Other villagers will be the members of the committee or participated as the host families. With support and guidance from the Ministry of Tourism, every Homestay Committee will create the program activities, applied from the community and economic activities, cultural and religious events, and natural resources existing inside and surrounding the village. Hence, homestay program is also named as a community-based tourism and may also be accounted as a community-based development.

Activities prepared for tourist in this program consist of experiencing and taking part in the community activities such as wedding ceremony, religious events and gatherings, experiencing rural economic activities such as oil palm and rubber tapping, fishing, and harvesting paddy, and watching cultural and traditional dance, song, game and sport. In some villages located close to leisure destination, sightseeing, jungle tracking, white water rafting, or visiting other tourism products are also included in the program. Homestay program is also involved in environmental conservation program called Plan A Tree Program (PAT), where each tourist is encouraged to plant a tree; oil palm, coconut or mango tree, at the Homestay Activity Centre located in the village, to contribute towards environmental conservation and landscape beautification. This program also encourages tourist to visit the village again to see the progress of the tree.

**Continued...**

The Malaysia Homestay Program was of the rural tourism products, which was established by the Ministry of Tourism in 1995 to promote the traditional village; Malay Kampung, as a new tourist destination after the successful tourists' arrival and income at the pilot project of Desa Murni Homestay, Pahang. The characteristics of this program have brought a successful number of tourists' arrival into the country and increasing income from its establishment until 2012. It is not only an accommodation, but involves the whole economic activities, community activities, farmers' and fishermen' lifestyle, and tradition and culture of the participating village. Moreover, it is held at the national level, with involvement and cooperation from several government organizations and private agencies in the country. In the Rural Tourism Master Plan, which was carried out in 2001, rural tourism is clarified as a sector that can improve the social and economic level of rural people, and contribute to the national economic growth. The homestay program itself has benefits the rural people by giving them an additional income and improvement on the infrastructures and facilities in their villages. It also contributes in preserving Malay Kampung's culture and tradition, strengthening the rural community and exposing them to the global communities, and preserving the environment by implementing the Plant a Tree Program.

*(Adapted from: http://versys.uitm.edu.my/prisma/view/viewPdf.php?pid=36977)*

**QUESTIONS**

(a) Based on your understanding of the above case, discuss the attractiveness of Malaysia's Homestay Program from the perspectives of Porter's 5 Forces.

(20 marks)

(b) Based on Porter's Generic Business-Level Strategies, how would you define Malaysia's Homestay Program strategy? Justify your answer with explanation.

(10 marks)

(c) In ensuring economic sustainability of tourists from local and international, suggest **TWO (2)** strategies that can be used by Malaysia's Ministry of Tourism in promoting homestay program.

(10 marks)

(Total : 40 Marks)

**Continued...**

## SECTION B: STRUCTURED QUESTIONS (60 marks)

### QUESTION 1

Organizations through corporate level strategy pursue by selecting and managing a group of different businesses competing in different product markets.

Discuss **FIVE (5)** reasons why it is beneficial for organization to pursue with the mentioned strategy.

(20 marks)

(Total: 20 marks)

### QUESTION 2

Multimedia Corporation, a computer manufacturer in Malaysia, seeks to diversify into China's smart phone market in which the China government prevents mergers and acquisitions. Thus, alliances become an especially appropriate option for Multimedia Corporation. As the strategic advisor of Multimedia Corporation, kindly advise your Chief Executive Officer on:

(a) the reasons to form strategic alliance.

(8 marks)

(b) the common types of strategic alliance that Multimedia Corporation can form with the largest smart phone manufacturer in China, Sinopec Corporation.

(12 marks)

(Total: 20 marks)

### QUESTION 3

(a) Discuss the concepts of the three different competitive dynamics. Provide an example for each type.

(15 marks)

(b) What are customer-switching costs?

(5 marks)

(Total: 20 marks)

**Continued...**

## QUESTION 4

(a) Identify the four questions that one must ask about a resource or capability to determine its competitive potential.

(4 marks)

(b) Using the valuable, rare, costly-to-imitate and non-substitutable capabilities has the potential for the firm to create sustainable competitive advantages.

Discuss the competitive consequences and performance implications resulting from combinations of the four criteria of sustainability. Use diagram to justify your answers.

(16 marks)

(Total: 20 marks)

**End of paper**